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ABSTRACT

This summary report contains information on the investments of college and university funds. It is the tenth annual study in the series by the National Association of College and University Business Officers (NACUBO). Sections present data and brief analysis on investment performance and endowment characteristics. Under investment performance, tables describe: endowment and life income fund assets; average performance by period; estimated asset component return; asset composition of investment pools; change in asset composition; and beta coefficients of risk measurement and return. Notes on stock and bond turnover are also included. Tables on endowment characteristics include an appreciation comparison of indexes and end endowment before and after inflation, and endowment support for all private institutions (average and median). Tables on average annual total return performance of all pools for the period ending June 30, 1980 (including percentages for one-, three-, five-, and ten-year return, when available) are appended. (MSE)

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Summary Results of the 1980 NACUBO Comparative Performance Study and Investment Questionnaire

Typical Portfolio of Reporting Institutions—1980

Annual return for year ended June 30, 1980	11.90%
Annual return over prior three years	8.41%
Annual return over prior five years	8.12%
Annual return over prior ten years	7.77%
Asset composition as of June 30, 1980	
Stocks	52.8%
Bonds	28.1%
Cash equivalents	14.2%
Real estate	1.8%
Miscellaneous	3.1%
Portfolio beta coefficient—based on prior ten years' data	0.70
Stock turnover during prior year	21.7%
Bond turnover during prior year	15.0%
Endowment principal per FTE student (independent institutions)	$13,450
Endowment principal per faculty member (independent institutions)	$165,300

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Preface

This summary report contains information on the investments of college and university endowment funds.

The NACUBO Comparative Performance Study (CPS) has been prepared annually since 1971. It initially provided participating institutions with comparative performance data on their investment pools; in recent years, the CPS has been expanded to include a detailed investment questionnaire, which covers other pertinent information relating to endowment funds and their management. Each year, considerable information is published in the *detailed* CPS report, which includes a variety of data of interest to participating institutions. The *summary* CPS report is designed for those who are interested in and concerned about endowment funds, but who prefer a condensed summary of findings.

Each participating institution has been provided with one copy of the detailed CPS report. Information in that report, coded for confidentiality, can be referred to when making comparisons to the larger endowment data base. Copies of the detailed CPS report are available from NACUBO, One Dupont Circle, Washington, D.C. 20036, at $25 each for NACUBO members and $50 each for nonmembers; all orders must be prepaid.

Members of the Investments Committee hereby convey their thanks to the many persons who made this study possible. These include business officers who voluntarily supplied data and answered the questionnaire; Bruce M. Dresner, of Dartmouth College, who served as survey coordinator in producing the detailed report; and Dartmouth College, which provided the use of its computer.

Investment Performance

NACUBO compiles data on endowment funds each year. A detailed investment questionnaire is sent in early fall to all endowed institutions of higher education that are known to be interested in the CPS. Timing of the questionnaire is based on a June 30 fiscal year-end, and responses are requested by the end of the calendar year in order to allow institutions to use information prepared as part of their fiscal year-end financial reporting. The ability of NACUBO to report in a timely fashion in the Comparative Performance Study is largely determined by the responsiveness of the participants in returning completed questionnaires.

In the 1980 study, 176 institutions participated and supplied the market value of their endowments. These institutions had endowment funds of approximately $15.1 billion. The total for all U.S. college and university endowment funds was $16.8 billion, according to the most recent (1979) HEGIS data (one year's difference between NACUBO and HEGIS data). A list of participating institutions, ranked by order of endowment size, is provided in table 1.

Table 1

Endowment and Life Income Fund Assets
Ranked by Endowment Market Value at June 30, 1980

(000 omitted)

	Institution	Life Income Funds	Endowment Funds
1	Harvard University	$17,573	$1,584,580
2	The University of Texas	3,633	1,261,320
3	Yale University	6,400	668,800
4	Stanford University	84,874	557,740 (A)
5	Columbia University	4,200	553,000
6	Princeton University	6,791	547,750
7	Massachusetts Institute of Technology	11,651	421,258
8	University of Chicago	12,000	342,300
9	Rice University	12,649	329,035
10	Cornell University	22,006	328,696
11	New York University	1,346	281,473
12	Northwestern University	12,731	275,238
13	Emory University	1,842	265,818
14	Washington University	5,774	238,613
15	Rockefeller University	325	228,563
16	University of Pennsylvania	0	224,510
17	Johns Hopkins University	6,286	198,063
18	Dartmouth College	17,885	197,609
19	California Institute of Technology	27,324	187,632
20	University of Notre Dame	3,592	172,222
21	University of Southern California	17,025	166,610
22	Vanderbilt University	18,043	154,493
23	University of Virginia	269	152,311
24	McGill University	0	145,200
25	Duke University	6,924	135,082
26	Wellesley College	7,925	131,953
27	University of Delaware	94	131,915
28	Case Western Reserve University	11,540	125,207
29	Brown University	0	123,356
30	Carnegie-Mellon University	923	119,195
31	Wesleyan University	749	116,804

	Institution	Life Income Funds	Endowment Funds
32	Smith College	0	108,614
33	University of Michigan	7,117	106,128
34	University of Minnesota	170	105,986
35	University of Pittsburgh	264	103,937
36	Southern Methodist University	581	101,552
37	Williams College	2,768	96,805
38	Rensselaer Polytechnic Institute	4,049	93,404
39	Oberlin College	3,582	93,064
40	Swarthmore College	4,321	91,016
41	University of Cincinnati	4,092	90,121
42	Berea College	3,337	86,536
43	Vassar College	9,441	86,445
44	Amherst College	2,280	83,975
45	University of Richmond	557	77,536
46	Ohio State University	1,103	76,342
47	Brandeis University	3,649	67,009
48	Georgetown University	1,632	66,195
49	Wake Forest University	757	65,526
50	Loyola University	194	65,156
51	Lehigh University	5,179	61,924
52	Middlebury College	1,901	60,019
53	Lafayette College	1,632	59,952
54	Rochester Institute of Technology	1,229	59,459
55	Pomona College	36,478	58,913
56	Mount Holyoke College	3,171	58,203
57	State University of New York at Buffalo	85	57,613
58	Carleton College	2,373	53,970
59	Syracuse University	9,129	53,400
60	Thomas Jefferson University	750	52,825
61	Bowdoin College	3,413	46,507
62	Boston University	1,518	46,171
63	Bryn Mawr College	0	45,336 (M)
64	Earlham College	665	43,890
65	Grinnell College	3,509	43,332
66	Trinity College (Conn.)	682	42,992
67	Hamilton College	1,684	41,241
68	Academy of the New Church	0	40,901
69	Cooper Union	121	39,750
70	University of Miami	4,416	38,546
71	Worcester Polytechnic Institute	1,070	38,085
72	Occidental College	6,146	37,743
73	University of Wisconsin System	0	37,453
74	Bucknell University	623	35,611
75	Agnes Scott College	0	35,339
76	Colgate University	2,914	34,904
77	Willamette University	1,394	33,807 (M)
78	Haverford College	808	33,052
79	Rutgers, The State University of New Jersey	6	32,407
80	Hampton Institute	0	32,356
81	Colorado College	0	31,534
82	Baylor College of Medicine	0	30,787
83	University of Missouri	1,709	30,445
84	Drew University	0	28,265
85	Whitman College	5,206	28,262
86	Colby College	1,715	26,352
87	Ohio University	0	25,758
88	University of Vermont	207	25,665
89	Columbia University Teachers College	201	25,283 (A)
90	Davidson College	0	25,263
91	Claremont Men's College	11,280	25,155
92	Mills College	491	24,864

	Institution	Life Income Funds	Endowment Funds
93	University of Denver	1,864	23,946
94	University of Santa Clara	3,173	21,641
95	Berry College	39	21,156
96	University of Tennessee	10,701	20,832
97	College of Wooster	0	20,229
98	Sweet Briar College	140	19,912
99	University of Illinois	181	19,557
100	Simmons College	3	19,292
101	Rhode Island School of Design	41	19,135
102	George Washington University	0	19,064
103	Hendrix College	1,711	18,474
104	Denison University	2,681	18,095
105	Marquette University	68	17,588
106	University of Maryland	0	17,574
107	Cornell College	0	17,439
108	Dickinson College	1,558	17,426
109	Ohio Wesleyan University	1,605	17,418
110	Albion College	1,260	16,569
111	Wheaton College	270	16,119
112	University of Wisconsin Foundation	2,721	15,737
113	Pennsylvania State University	1,322	15,479
114	Oregon State Board of Higher Education	0	15,086
115	Clark University	1,168	14,900
116	Pratt Institute	0	14,768 (A)
117	Spelman College	0	14,460
118	Michigan State University	183	14,231
119	University of Puget Sound	1,809	13,707
120	Alma College	127	13,310
121	Reed College	1,671	13,293
122	Furman University	2,260	13,269
123	Kalamazoo College	787	12,943
124	Franklin and Marshall College	2,312	12,883
125	Baldwin-Wallace College	594	12,740
126	Allegheny College	496	12,234
127	Indiana University	1,378	12,160
128	Drake University	132	12,086 (M)
129	University of Tulsa	117	11,856
130	Temple University	0	11,707
131	University of Arizona	0	11,607
132	Wittenberg University	816	11,420
133	Catholic University of America	0	11,415
134	Washburn College	0	11,027
135	Georgia Institute of Technology	0	10,758
136	University of Maine	0	10,489
137	Mercer University	321	10,272
138	Hollins College	0	9,924
139	Connecticut College	88	9,185
140	University of Dayton	0	8,997
141	Kenyon College	478	8,792
142	Muhlenberg College	0	8,744
143	Hobart and William Smith Colleges	121	8,604 (M)
144	St. Norbert College	0	8,099
145	Ohio Northern University	0	7,277
146	Alfred University	0	6,683
147	University of Nebraska	0	6,669
148	Clarkson College of Technology	814	6,324
149	University of Evansville	72	6,312
150	Doane College	497	6,096
151	University of Arkansas	255	5,895
152	Carroll College	203	5,866
153	The American University	0	5,306

	Institution	Life Income Funds	Endowment Funds
154	Hope College	1,376	5,191
155	Virginia Military Institute	0	5,113
156	Medical College of Pennsylvania	251	4,960
157	Washington State University	40	4,811
158	Oregon State University Foundation	4,485	3,882
159	University of Akron	0	3,580
160	Stephens College	0	3,565
161	Philadelphia College of Textiles and Science	0	3,522
162	Chapman College	38	2,925 (M)
163	Arizona State University	510	2,815
164	University of Oregon Foundation	0	2,737
165	University of Tampa	68	2,286
166	Newberry College	0	2,221
167	University of Connecticut	0	1,778
168	University of Akron Development Foundation	433	1,774
169	Eastern Michigan University	48	1,637
170	University of Mississippi	0	1,585
171	Oakland University	0	1,513
172	Western Michigan University	794	1,484
173	Monmouth College	0	1,398
174	Trinity College (D.C.)	0	1,367
175	Westmar College	240	817
176	State University of New York at Binghamton	18	570

(A) = Figures are as of August 31, 1980.
(M) = Figures are as of May 31, 1980.

Summary of Performance of Endowment Funds

The purpose of the NACUBO Comparative Performance Study is to aid administrators in evaluating their investment pool's performance. It is believed that measuring comparative performance among pools with similar characteristics, objectives, and risk levels can add an important, useful dimension in reviewing the investment results achieved with respect to meeting performance goals.

- For the year ending June 30, 1980, the 198 college and university pools participating in this study had an average rate of return of 11.9%. This rate of return exceeds the 9.5% average rate of return earned by a composite of the S&P 500 Index, the Salomon Brothers Bond Index, and the average treasury bill rate using the same asset composition as the average investment pool (51.7% in equities, 28.8% in long-term bonds, 14.7% in cash and equivalents, 1.6% in real estate, and 3.2% in other assets).
- The study also shows that for the three-year period ending June 30, 1980, the average rate of return of the college and university pools of 8.4% outperformed the composite market index of 6.7%. And, for the five-year period ending June 30, 1980, the average return for the investment pools of 8.1% was higher than that earned by the composite index, which was 7.3%.
- Taking into consideration investment objectives, those pools whose stated objective was "total rate of return" outperformed those whose stated objective was "balanced." The "total rate of return" pools, on average, were 64% invested in equities over the past five years while the "balanced" pools were only 53% invested in equities.
- The study reveals that, on average, the largest pools (over $50 million) outperformed the smallest pools during the past year, as well as for the three-, five-, and ten-year periods measured. This group also outperformed the $10-50 million group for the one- and three-year periods, and equaled the results of that group for the five-year period. However, for the ten-year period, the pools ranging in size from $10 to $50 million dollars performed best. The pools under $10 million underperformed the two larger-size pools for the four time periods reviewed.
- Those investment pools managed externally during the year ending June 30, 1980, per-

formed, on average, about two percentage points better than those managed internally. In 1979, results were about equal, and for each of the two previous years, the internally managed pools outperformed those managed externally.

- Investment pools having higher than average stock and bond turnover rates outperformed, on average, those pools having lower turnover ratios.

Because endowment funds are invested on a long-term basis, it is important to consider investment returns beyond just one year. In table 2, information is provided on the performance of endowment funds over a series of different time periods. The appendix provides a detailed listing of the performance of all participating institutions, with funds coded for confidentiality.

Although investment performance figures are important and meaningful, this information can be both misinterpreted and overemphasized. Modern investment theory suggests that risk and return are related, and that the amount of return obtained in an investment portfolio is directly influenced by the degree of risk taken. This means that while one institution might achieve a higher (or lower) return than another, this return typically results from a combination

Table 2

Average Performance by Period

	Period Ended June 30, 1980			
	One Year	Three Years	Five Years	Ten Years
All investment pools measured	11.90%	8.41%	8.12%	7.77%
By investment objective				
Total return pools	13.57	9.42	8.46	8.05
Balanced or income pools	10.81	7.77	7.90	7.57
By size				
Over $50 million	14.27	9.58	8.59	7.84
$10 to $50 million	12.66	8.97	8.56	8.06
Under $10 million	8.38	6.39	6.92	6.97
Comparative indexes				
Dow Jones Industrial Average	9.45	3.98	4.98	7.15
S&P 500 Index	17.13	9.89	8.67	8.93
Salomon Brothers Bond Index	−3.66	.61	5.15	6.63
Kuhn Loeb Bond Index	−2.16	1.53	6.25	n/a
Other benchmarks				
The Common Fund for Equity Investments	22.78	17.45	11.72	n/a
The Common Fund for Bond Investments	.30	3.87	n/a	n/a

of actions, including the allocation of investments among different types of assets, the degree of risk taken, the emphasis on different types of assets within each investment category (e.g., high-yield stocks vs. growth stocks, high-quality vs. low-quality bonds, etc.), and the selection of particular stocks, bonds, and other investments.

While one year is too short a period from which to draw any significant conclusions regarding performance, for the year ending June 30, 1980, 65% of the 198 pools in the CPS outperformed the Dow Jones Industrial Average (the 176 institutions provided data on a total of 198 separate pools). This widely followed benchmark should not be the sole measure used to compare the performance of the average investment pool. A better measure, but still not completely representative for comparative purposes, is the S&P 500 Index. Seventeen percent of the 198 pools outperformed the S&P 500 in 1979-80, which was a period of increasing stock prices. This is not surprising, since most pools maintain a balanced investment mix, and are not totally invested in stocks. Almost all of the endowment investment pools outperformed the Salomon Brothers Bond Index. This is not surprising, due to the large stock component of these funds. For those few pools totally invested in either common stocks or long-term bonds, a direct comparison to the S&P 500 Index or Salomon

Brothers Index, respectively, is more valid.

What should be of interest and concern to trustees and those administrators responsible for an investment pool is the return achieved from a blend of market indexes that mimics that of their own pool. In the case of the average pool, this means the return achieved as a result of the investment of its 52% stock component, 29% bond component, 15% cash component, 2% real estate component, and 3% miscellaneous assets component. On this basis, the one-year return of 11.90% for all pools appears favorable compared with the return of 9.52%, which might be expected on the asset components of the pool shown in table 3.

Table 3

Estimated Asset Component Return of All Investment Pools for the One-Year Period Ending June 30, 1980

Asset Component	Index	Fiscal 1979-80 Total Return Percentage	Average Investment Pool Asset Component	Expected Total Return
Stocks	S&P 500	17.13%	51.7%	8.89%
Bonds	Salomon Brothers	−3.66	28.8	−1.05
Cash	Average Treasury Bill	11.42	14.7	1.68
Real estate	n/a	0	1.6	0
Miscellaneous	n/a	0	3.2	0
Total			100.0%	9.52%

Asset Composition

The decision as to what should be the asset composition (or amount invested in stocks, bonds, etc.) of the endowment fund is typically a policy action dictated by each institution's governing board or investment committee. Sometimes this decision is determined in conjunction with the advice of an institution's portfolio manager. Table 4 shows the asset composition of reporting investment pools as of June 30, 1980. The average pool in the 1980 CPS has about 53% of its assets invested in stocks. Some endowment funds are almost totally invested in stocks, others hold a balance on investment assets, and a few have heavy weightings of bonds or real estate. Both the expected return and volatility of any given investment portfolio will be a function of its asset composition, and each institution will typically establish a permissible allocation of assets as a function of its own need for income and growth of principal. As an example, a need for predictable, stable income will require of investments a certain percentage in bonds, although investment in the stock market might produce a higher total return.

NACUBO compares the asset composition of investment pools from year to year and monitors changes in concentration. The net change in asset composition results from a combination of two factors: the general change in stock

Table 4

Asset Composition of Investment Pools on June 30, 1980

	All Pools	By Investment Objective		By Size		
		Total Return	Balanced	Over $50 Million	$10 to $50 Million	Under $10 Million
Stocks	52.8%	59.5%	48.3%	58.2%	55.5%	43.3%
Bonds	28.1	21.5	32.5	25.0	25.4	35.0
Cash	14.2	15.6	13.3	11.4	13.3	18.4
Real estate	1.8	1.3	2.2	2.3	2.6	0.3
Miscellaneous	3.1	2.1	3.7	3.1	3.2	3.0
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

and bond prices and a policy shift in investment assets. Using the change in market indexes, an expected change in the value of assets can be computed. When actual compositions are reported for the following year, a comparison can then be made between the expected change and what actually occurred, with net differences computed that can be assumed to have occurred due to policy decisions, such as a change in investment strategy. For the year ended June 30, 1980, endowment funds in general again exhibited a shift in emphasis, increasing bonds 2.6% while decreasing stocks 2.3%, as shown in table 5.

A characteristic related to the composition of the portfolio is diversification of the securities held within each asset category. Some investment portfolios are quite diversified and reflect stock holdings that mirror the market in general. Other investment pools ordinarily concentrate investments into particular industries or segments of the marketplace. Most investment pools are well diversified in their stock and bond holdings: the typical endowment portfolio holds about 45 different common stock names, with even more names included as the size of the portfolio increases; about 25 different bond names are included in the typical endowment portfolio.

Table 5

Change in Asset Composition: 1974 through 1980

Percentage Change — Year Ended June 30

	1974	1975	1976	1977	1978	1979	1980	Total
Stocks	−4.0%	−1.2%	−2.2%	−1.1%	−4.8%	−3.3%	−2.3%	−18.9%
Bonds	1.3	3.9	4.2	0	0.6	1.3	2.6	13.9
Cash	3.0	−2.9	−1.7	1.0	−4.2	1.9	−0.6	4.9
Real estate	n/a	n/a	n/a	n/a	n/a	n/a	0.4	0.4
Miscellaneous	−0.3	0.2	−0.3	0.1	0	0.1	−0.1	−0.3

Risk Measurement and Return

According to modern investment theory, risk and return are directly related. There are several different techniques to measure risk. One technique assumed to be a proxy for risk is to compare the fluctuation of the portfolio to that of the stock market in general, typically using the S&P 500 Index as the market. This comparison generates a measure called the "beta coefficient," which indicates the percentage fluctuation that can be expected and therefore predicted, based on the relative performance of the market. A beta of 1.00 means that the portfolio is just as volatile as the market in general and should be expected to move in unison with the market, if the assets in the portfolio are well diversified. If the market goes up 10%, then the pool should be expected to go up 10%. A beta of 1.10 means that the portfolio is 10% more volatile than the market, while a beta of 0.90 indicates that the portfolio is 10% less volatile, and therefore should not perform as well as the market in a period of rising prices, nor lose as much when market prices decline. In other words, if a specific portfolio is more volatile and therefore is taking more risk, it is expected that this portfolio should have a return that is greater than the market in general. A higher than average return may not mean that the portfolio has achieved an extraordinary success, but rather it might be simply the return that should be expected for the degree of risk taken. If a specific portfolio has an incremental return greater than what might be predicted by the beta coefficient, the excess return can be explained as the value added by management. Beta coefficients have been computed for investment pools in the 1980 CPS. The average beta for all pools is .70 for the ten-year period ended June 30, 1980.

In table 6, beta coefficients are summarized for investment pools in the study. College and university endowment funds appear to be invested for less volatility and risk than the market as a whole. One would expect their performance to be below that of the stock market as a whole in a period of a rising market, as was the case in fiscal 1975, 1976, 1979, and 1980, and above the stock market in a period of a declining market, as was the case in fiscal 1977 and 1978.

Table 6

Beta Coefficients

	Ten Years Ending June 30, 1980
All investment pools	.70
By investment objective	
Total return pools	.75
Balanced pools	.67
By size	
Over $50 million	.75
$10 to $50 million	.69
Under $10 million	.66
Comparative indexes	
Dow Jones Industrial Average	.82
Salomon Brothers Bond Index	.37
S&P 500 Index	1.00

Stock and Bond Turnover

Investment managers buy and sell securities. Some observers of the marketplace believe that very actively traded portfolios, with high turnover and therefore high transaction costs, will produce a lower total return in the long run. NACUBO has been monitoring turnover for the last four years; for 1980, the stock turnover of the typical endowment fund was 21.7% of the total value of stock invested, the highest rate since NACUBO began gathering this data in 1975. On average, bond turnover was about 15.0%, with the total return pools and larger pools having higher turnover. Data accumulated to date do not indicate any correlation, positive or negative, between turnover and performance for endowments funds. It is observed that, in general, endowment funds have lower turnover than other investment pools.

Endowment Characteristics

As part of the ongoing CPS, NACUBO has endeavored to build a data base of information on endowment funds and endowment *wealth*.

One of the most important subjects indentified by administrators and others interested in colleges and universities is endowment growth and endowment adjusted for inflation, or "real" endowment growth. The increased size of endowment funds in 1980 appears to be the result of the addition of new gifts to endowment and of appreciation in equity securities offsetting depreciation in the bond security markets. A crude approximation of endowment growth can be made for the seven-year period ending June 30, 1980. This calculation is based on information received from prior NACUBO questionnaires and indicates that, as a group, endowment funds at June 30, 1980, have increased about 23% since June 30, 1973. However, in real terms—when inflation is taken into account—endowment funds have actually declined about 34%. To help put this into perspective, table 7 compares the S&P 500, the Dow Jones Industrial Average, the Salomon Brothers High-Grade Bond Index, and endowment funds both before and after inflation. The Consumer Price Index (CPI) and the Higher Education Price Index (HEPI) were used to adjust for inflation.

Table 7

Seven-Year Appreciation Comparison of Indexes and Endowment Before and After Inflation

	6/30/73	6/30/74	6/30/75	6/30/76	6/30/77	6/30/78	6/30/79	6/30/80	Seven-Year Percentage Change
Dow Jones Industrial Average	891.71	802.41	878.99	1,002.78	916.30	818.95	841.98	867.92	— 2.67%
S&P 500 Index	104.26	86.00	95.19	104.28	100.48	95.53	102.91	114.24	9.57
Salomon Brothers High-Grade Bond Index	93.70	80.53	85.26	86.82	92.43	84.64	83.15	73.23	—21.85
Endowment funds	100.00	83.30	91.05	98.52	102.36	103.79	112.09	122.85	22.85
Real endowment based on CPI*	100.00	78.22	78.15	78.95	77.24	73.54	68.94	66.11	—33.89
Real endowment based on HEPI*	100.00	77.78	78.28	79.46	77.52	73.67	73.80	73.60	—26.40

* CPI (Consumer Price Index) and HEPI (Higher Education Price Index) figures from D. Kent Halstead, *Higher Education Prices and Price Indexes*: 1979 Supplement, Washington, D.C., National Institute of Education, 1979; *Chronicle of Higher Education*, September 24, 1979; and NACUBO *Business Officer*, October 1980.

Table 7 clearly identifies why the rebound from the levels of the 1974 bond and equity markets leaves educational institutions far from whole. That is, $100 of endowment at June 30, 1973, would have the purchasing power at June 30, 1980, of only $66.11 (based on the CPI) and $73.60 (based on the HEPI). Stated another way, endowment would have to rise an additional 50% (or 35%) to maintain 1973 purchasing power in 1980. This devastating loss in purchasing power is being felt throughout the college and university world and helps explain some of the more recent fiscal prob-

lems being experienced by many endowed institutions, especially those that rely more heavily on their endowment to meet current operating expenses.

For private institutions, questions were asked regarding endowment support for faculty and full-time equivalent (FTE) students. Table 8 summarizes these data.

Because each college and university and its alumni are unique, it is often difficult to draw analogies relating to gift-giving among institutions. It is hoped that data gathered over a long period may be useful in identifying trends. Data on gifts to endowment are included in the detailed CPS.

Table 8

All Private Institutions — Endowment Support

	Average Institution	Median of All Participants
Endowment principal per FTE student	$ 21,525	$ 13,450
Endowment principal per faculty member	232,475	165,300
Endowment income per FTE student	1,175	795
Endowment income per faculty member	13,075	10,100
Gifts to endowment as percentage of market value	n/a	3.6%

Appendix: Average Annual Total Return Performance of All Pools for the Period Ending June 30, 1980

#	Code Name	One-year Return %	#	Three-Year Return %	#	Five-Year Return %	#	Ten-Year Return %
1	E89	42.37 %	7	16.21 %	9	12.62 %	N/A	%
2	E94	29.02	4	17.01	N/A		N/A	
3	C14	27.78	11	14.97	N/A		N/A	
4	E25	25.68	9	15.25	10	12.54	11	9.68
5	E5	25.29	8	15.86	20	11.71	20	9.11
6	E54	24.79	3	17.2	4	13.16	23	9.01
7	E99	24.21	6	16.22	3	14	N/A	
8	E34	23.57	17	13.47	31	10.62	77	7.25
9	C63	23.42	5	16.44	7	12.8	9	9.9
10	COM-FDEQ	22.78	1	17.45	19	11.72	N/A	
11	C77	22.64	18	13.36	5	13.1	3	12.17
12	E19	21.55	12	14.86	12	12.34	31	8.74
13	C66	21.49	20	12.7	28	10.84	N/A	
14	E30	21.45	70	9.31	84	7.96	46	8.15
15	E11	20.15	21	12.24	37	10.16	15	9.36
16	E26	20.13	13	14.33	15	11.85	36	8.43
17	E12	19.51	35	10.67	N/A		N/A	
18	E86	19.13	N/A		N/A		N/A	
19	C4	19.05	41	10.36	18	11.73	N/A	
20	C40	18.67	45	10.26	21	11.62	4	12.1
21	E36	18.39	25	11.44	58	8.79	44	8.2
22	SP-IND	18.35	42	10.35	71	8.43	29	8.91
23	C28	18.18	19	13.15	36	10.16	N/A	
24	C29	18.1	74	9.14	86	7.85	66	7.52
25	C25	18.09	26	11.36	41	9.65	24	8.99
26	E38	18.08	49	10.1	25	10.95	22	9.03
27	C45	17.99	N/A		N/A		N/A	
28	E49	17.93	28	11.32	39	9.93	90	6.98
29	C48	17.79	57	9.89	54	8.96	N/A	
30	C42	17.72	53	10.07	101	7.53	79	7.19
31	C35	17.64	10	15	6	13.09	N/A	
32	E40	17.64	78	8.94	74	8.28	70	7.39
33	C31	17.6	140	6.42	132	6.83	N/A	
34	E93	17.54	47	10.24	163	5.37	N/A	
35	C80	17.49	99	8.22	122	7.02	118	5.93
36	E21	17.13	29	11.16	64	8.69	50	7.91
37	SP500	17.13	58	9.89	65	8.67	28	8.93
38	C8	17.11	69	9.42	123	7.01	N/A	
39	E53	17.01	33	10.74	29	10.82	18	9.24
40	E43	16.91	14	14.17	11	12.44	6	10.92
41	C87	16.79	30	11.06	117	7.13	56	7.68
42	E37	16.47	44	10.3	38	10.09	86	7.05
43	E42	16.42	61	9.72	N/A		N/A	
44	E81	16.35	116	7.37	107	7.43	94	6.87
45	E8	16.22	48	10.19	51	9.08	58	7.65

ALL ENDOWMENT POOLS (CONT.)

#	Code Name	One-year Return %	#	Three-Year Return %	#	Five-Year Return %	#	Ten-Year Return %
46	C57	16.17 %	89	8.44 %	173	4.91 %	128	4.35 %
47	E56	16.04	77	8.95	110	7.39	61	7.59
48	E45	15.75	36	10.62	24	11.1	26	8.98
49	C39	15.64	73	9.16	89	7.81	35	8.5
50	E1	15.58	68	9.5	66	8.67	104	6.38
51	C98	15.55	16	13.86	8	12.68	2	12.78
52	C24	15.46	38	10.43	22	11.57	N/A	
53	C53	15.46	39	10.43	N/A		N/A	
54	E57	15.45	72	9.2	52	9.04	30	8.86
55	C54	15.32	2	17.28	14	12.07	8	10.18
56	E79	15.24	59	9.83	79	8.06	39	8.33
57	E76	15.21	92	8.35	137	6.59	N/A	
58	E50	15.01	50	10.1	129	6.87	120	5.57
59	E59	14.96	87	8.49	61	8.75	84	7.11
60	E46	14.86	55	9.99	109	7.41	41	8.22
61	E20	14.82	90	8.42	73	8.41	21	9.1
62	E33	14.82	27	11.32	135	6.79	54	7.75
63	C15	14.75	51	10.1	40	9.83	92	6.92
64	E52	14.71	106	7.99	113	7.28	88	7.02
65	C93	14.46	96	8.28	N/A		N/A	
66	E68	14.29	71	9.26	100	7.53	73	7.32
67	C13	14.26	32	10.81	42	9.6	32	8.67
68	E3	14.17	65	9.57	87	7.84	38	8.34
69	C22	14.03	67	9.52	68	8.5	98	6.72
70	E70	13.89	66	9.56	N/A		N/A	
71	C82	13.81	60	9.74	62	8.71	106	6.3
72	E80	13.68	23	11.84	33	10.38	45	8.15
73	E29	13.57	83	8.56	49	9.14	111	6.21
74	C18	13.49	54	10.01	16	11.8	5	11.78
75	E92	13.13	127	6.92	44	9.56	12	9.67
76	C7	13.05	110	7.69	147	6.19	130	4.1
77	E51	13.05	24	11.72	78	8.07	14	9.43
78	C65	13.04	80	8.85	48	9.17	13	9.48
79	E27	13.01	111	7.68	138	6.59	69	7.43
80	C51	12.98	76	9.1	77	8.25	N/A	
81	E63	12.98	56	9.92	131	6.84	74	7.32
82	E96	12.95	102	8.14	50	9.12	N/A	
83	C2	12.87	82	8.67	81	8	55	7.68
84	E65	12.77	94	8.3	47	9.2	60	7.63
85	C44	12.65	22	12.03	30	10.63	96	6.83
86	C85	12.4	64	9.63	27	10.85	59	7.64
87	C95	12.38	100	8.21	90	7.78	N/A	
88	E98	12.33	63	9.64	112	7.34	105	6.3
89	C41	12.27	46	10.25	13	12.08	19	9.11
90	C60	12.17	43	10.35	59	8.79	25	8.98

ALL ENDOWMENT POOLS (CONT.)

#	Code Name	One-year Return %	#	Three-Year Return %	#	Five-Year Return %	#	Ten-Year Return %
91	E17	12.16	121	7.17	72	8.43	34	8.55
92	C58	12.14	98	8.25	145	6.23	97	6.79
93	C17	11.93	93	8.35	118	7.12	116	6.08
94	C55	11.88	75	9.13	43	9.57	17	9.25
95	E66	11.83	95	8.29	174	4.81	N/A	
96	E61	11.8	40	10.38	17	11.74	N/A	
97	E91	11.8	88	8.47	114	7.27	68	7.46
98	C92	11.79	84	8.55	69	8.5	N/A	
99	C43	11.77	120	7.21	83	7.97	N/A	
100	E72	11.55	101	8.16	53	8.97	53	7.78
101	E6	11.52	122	7.15	154	5.94	51	7.87
102	C34	11.5	62	9.67	127	6.89	65	7.55
103	C1	11.44	123	7.1	60	8.78	N/A	
104	E15	11.36	138	6.57	124	6.99	103	6.5
105	C73	11.36	142	6.31	N/A		N/A	
106	E32	11.2	133	6.79	67	8.66	80	7.18
107	C94	11.16	31	11.04	26	10.85	N/A	
108	E16	10.95	97	8.26	88	7.81	52	7.8
109	E85	10.83	107	7.98	56	8.88	N/A	
110	E75	10.71	128	6.88	2	14.44	7	10.78
111	C72	10.63	103	8.11	32	10.41	10	9.82
112	E62	10.6	104	8.07	102	7.49	64	7.56
113	C99	10.5	15	13.95	1	17.05	1	29.49
114	C88	10.5	114	7.53	133	6.81	N/A	
115	C86	10.46	91	8.39	46	9.36	27	8.93
116	C6	10.42	125	6.94	140	6.51	117	5.97
117	C96	10.41	52	10.09	34	10.21	N/A	
118	C67	10.34	115	7.49	55	8.89	N/A	
119	E71	10.12	131	6.81	104	7.46	62	7.58
120	C9	10.1	129	6.88	128	6.88	71	7.36
121	C21	10.03	174	4.29	177	4.11	124	4.95
122	E95	10	132	6.8	150	6.03	126	4.86
123	E47	9.98	N/A		N/A		N/A	
124	E31	9.85	108	7.76	35	10.21	N/A	
125	C56	9.82	81	8.82	45	9.52	42	8.22
126	C75	9.79	117	7.32	70	8.49	72	7.36
127	E60	9.71	146	6.05	130	6.84	101	6.55
128	C32	9.71	163	5.15	91	7.77	81	7.17
129	E74	9.69	118	7.23	120	7.03	N/A	
130	E78	9.62	151	5.94	76	8.27	40	8.25
131	C5	9.52	109	7.7	116	7.15	95	6.84
132	D-JONES	9.45	178	3.98	171	4.98	82	7.15
133	E18	9.43	113	7.58	165	5.28	75	7.3
134	C26	9.35	105	7.99	80	8.02	49	7.92
135	C16	9.34	156	5.77	144	6.24	113	6.2

ALL ENDOWMENT POOLS (CONT.)

#	Code Name	One-year Return %	#	Three-Year Return %	#	Five-Year Return %	#	Ten-Year Return %
136	E39	9.31%	137	6.57%	103	7.47%	123	4.97 %
137	E55	9.24	N/A		N/A		N/A	
138	E67	9.2	130	6.82	75	8.27	47	8.05
139	E44	9.19	162	5.3	169	5.09	67	7.49
140	E77	9.17	119	7.23	98	7.64	N/A	
141	C50	8.93	126	6.93	148	6.18	83	7.14
142	E64	8.87	79	8.9	105	7.46	127	4.61
143	C70	8.84	141	6.37	97	7.68	78	7.2
144	C27	8.82	34	10.69	23	11.49	37	8.41
145	C30	8.72	145	6.15	96	7.7	109	6.29
146	C36	8.66	147	6.01	156	5.79	N/A	
147	C79	8.58	154	5.8	115	7.17	N/A	
148	C83	8.49	85	8.53	134	6.79	N/A	
149	C97	8.47	N/A		N/A		N/A	
150	E2	8.45	86	8.5	92	7.77	93	6.9
151	E83	8.44	152	5.87	126	6.96	N/A	
152	C46	8.39	150	5.96	125	6.97	N/A	
153	E14	8.27	136	6.58	95	7.72	91	6.96
154	E35	8.25	135	6.73	175	4.76	108	6.3
155	E84	8.16	167	4.72	136	6.69	N/A	
156	C76	8.12	160	5.49	161	5.6	16	9.32
157	E10	7.92	139	6.46	172	4.96	110	6.22
158	C11	7.89	N/A		N/A		N/A	
159	C59	7.82	N/A		N/A		N/A	
160	E82	7.78	148	6	106	7.46	N/A	
161	C20	7.6	161	5.35	179	3.16	121	5.52
162	C78	7.57	153	5.85	170	5	131	3.92
163	C62	7.54	159	5.52	85	7.94	N/A	
164	C3	7.5	169	4.67	152	5.98	89	7.02
165	E90	7.44	149	5.97	119	7.04	N/A	
166	E100	7.12	157	5.72	N/A		N/A	
167	E73	7.08	143	6.2	93	7.76	87	7.02
168	C52	6.93	134	6.74	108	7.43	85	7.08
169	E41	6.85	171	4.52	141	6.35	N/A	
170	C64	6.77	164	4.91	121	7.03	48	7.95
171	C38	6.38	112	7.67	94	7.74	57	7.66
172	C84	6.37	166	4.79	160	5.6	33	8.65
173	C37	6.36	170	4.61	157	5.74	N/A	
174	C12	6.08	182	3.76	151	5.98	N/A	
175	C74	6.05	37	10.57	57	8.85	63	7.57
176	C23	6.05	165	4.89	143	6.24	107	6.3
177	E48	5.87	168	4.71	176	4.25	N/A	
178	E58	5.71	N/A		N/A		N/A	
179	C61	5.63	N/A		N/A		N/A	
180	E4	5.47	124	6.99	162	5.42	112	6.21

APPENDIX

ALL ENDOWMENT POOLS (CONT.)

#	Code Name	One-year Return %	#	Three-Year Return %	#	Five-Year Return %	#	Ten-Year Return %
181	E97	5.08 %	177	4 %	111	7.35%	115	6.1 %
182	C47	4.98	184	3.73	155	5.81	76	7.26
183	E24	4.68	155	5.78	63	8.7	N/A	
184	E69	4.49	176	4.19	182	0	122	5.25
185	C19	3.76	179	3.96	139	6.51	N/A	
186	C89	3.49	175	4.25	146	6.22	N/A	
187	E7	3.25	172	4.38	178	3.3	N/A	
188	E22	3.22	181	3.86	99	7.61	43	8.21
189	C90	3.02	N/A		N/A		N/A	
190	C10	2.64	158	5.58	166	5.25	N/A	
191	E13	2.49	185	3.67	164	5.36	100	6.58
192	C33	2.23	189	2.9	N/A		N/A	
193	E23	2.01	173	4.35	159	5.72	114	6.14
194	C49	1.96	183	3.76	167	5.18	125	4.95
195	E28	1.88	144	6.16	158	5.73	119	5.87
196	E87	1.78	190	2.57	82	8	102	6.54
197	C68	1.55	N/A		N/A		N/A	
198	C71	1.04	188	3.28	180	3.14	129	4.27
199	C69	0.38	186	3.59	149	6.06	N/A	
200	COM-FDBD	0.3	180	3.87	N/A		N/A	
201	E88	-1.51	192	1.76	153	5.97	N/A	
202	E9	-1.92	187	3.3	N/A		N/A	
203	LEH-KUHN	-2.16	193	1.53	142	6.25	N/A	
204	SALOMON	-3.66	194	0.61	168	5.15	99	6.63
205	C91	-6.42	191	2.01	181	1.43	N/A	
	TOTAL POOLS (AVERAGE RETURN)							
198		11.90%	187	8.41%	176	8.12%	127	7.77%

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